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The Netherlands

Organic Products

Benelux Organic Food Market

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Report Highlights:
The organic food market in the Benelux countries is small but growing. There are a number of areas in which US exporters need to exercise caution as they could potentially act as a barrier to the development of the market. There are also a number of product areas in which US exporters could feasibly gain share. The new US organic standard, known as the National Organic Program should facilitate the acceptance of US products in Europe.

Includes PSD changes: No
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Executive Summary

- The organic food market in the Benelux countries is small but growing.
  - Luxembourg has the highest consumption of organic products per capita across the EU;
  - Belgium was one of only four countries in the European Union boasting an annual growth of between 25 and 30 percent in the organic food sector of the market. The other three are Denmark, Sweden and the UK.

- In addition to these high growth rates, Belgium is a country of high potential interest to US exporters as it imports approximately 50 percent of organic food consumed, and this is set to rise as demand for prepared meals and a more diverse range of products increases.

- Meanwhile, there are a number of areas in which US exporters need to exercise caution as they could potentially act as a barrier to the development of the market,
  - key issues relating to certification, packaging, labeling and logistics;
  - a perceived weak European focus among US suppliers as a whole, along with a perceived lack of understanding of the peculiarities of each individual market (e.g. consumer motivations, distribution routes);
  - the fact that a large proportion of imported organic produce entering each of the three Benelux countries comes from within the EU.

- That said, providing US exporters address these issues, there are a number of product areas in which US exporters could feasibly gain share - i.e. fresh fruit and vegetables, wine, pulses, oils and fats, food ingredients, breakfast cereals and a host of other processed foods.

- Indeed there would appear to be a degree of opportunity in virtually all product sectors for the US exporter provided that the market is approached in the right way. Key success factors in this respect revolve around:- Product quality
  - Packaging
  - Establishing solid relationships with key importers
  - Marketing Mix
  - Tackling Distribution Issues

The new US organic standard, known as the National Organic Program (NOP) should facilitate the acceptance of US products in Europe. Proposed under the amended Organic Foods Production Act of 1990, and administered by the Agricultural Marketing Service arm of the USDA, together with private bodies that reach the acquired creditation, the program has three core aims:

- Establish national marketing standards
- Provide assurance for consumers that the organic products they buy meet consistent uniformed standards
- Facilitate international commerce, through the provision of guarantees

Retail Market for Organic Foods

The Netherlands

The percentage of retail food sales accounted for by organic foods[1] in all three countries included in this study is small but increasing. In The Netherlands in 1999 sales of organic foods totaled 234 million euros (total food sales, $23 billion), 17 percent higher than in 1998, which was in turn 17 percent higher than the previous year. Sales are split, unequally, between supermarkets, specialist food stores and farmers markets.

a) Specialist retailers - Approximately 50 percent of all organic food sales in The Netherlands are made via specialist organic or health food stores. In 1998 organic sales from these outlets (of which there are approximately 700) amounted to 116.8 million euro. They have seen their annual turnover increase 5 percent and 8 percent over the last four years, attributable principally to rising consumer interest in organic. Although most are independently owned, two major franchise organizations, Gimsel and Natuurwinkel, together run in excess of 70 stores.

   Dutch consumers are particularly keen to purchase organic foods from specialist retailers because the extent and depth of their product range is unsurpassable. While a number of large supermarkets now offer a wide range of organic produce, they frequently only offer one or two products within each category.

b) Supermarkets - That said, supermarkets in The Netherlands are making important inroads into the organic sector such that in the two-year period, 1996 to 1998, their share of the market has increased from 19 to 27 percent. Increases can be seen on two levels, the number of supermarkets selling organic products and the breadth of product assortments. The country's number one supermarket chain, Albert Heijn, introduced its own brand of organic products in 1998, AH Biologisch. The range currently covers all conceivable product categories, from vegetables through bread to tea and coffee, and numbers over 100 different products. By 2003 the intention is to increase this to 200. Other supermarkets important in organic are Konmar (with 108 different products) and Nieuwe Weme (with 98). Indeed in 2000, Konmar was chosen by Greenpeace and the Dutch environmental organization Milieudefensie as the best organic supplying supermarket in The Netherlands. Despite these advancements, the range is still very small when compared to the LTK, Germany and Denmark, where organic product lines in some major supermarkets number between 750 and 1,000. A total of 1,200 Dutch supermarkets now sell organic produce, up from 70 in 1995.

c) Direct-to-consumer and farm sales - Two other popular points-of-sale through which organic goods are purchased are vegetable subscriptions and farmers markets. The direct-to-consumer vegetable bag system is seen to be popular, with 45,000 households subscribing every week (figure for 1999). Having said this, the number of members is currently reducing due to the growth of these products in supermarkets. As the name suggests, subscribers receive a box of freshly harvested fruit and vegetables, normally locally or regionally grown, delivered via organic food shops or farms. Recipients also receive regular newsletters with information about products and their origins, thus serving to cement relations between the producer and consumer.

[1] *In this report organic foods refer to any food product that is grown in the absence of man-made fertilizers, pesticides, growth regulators and livestock feed additives. It relies instead on crop rotation, animal and plant manure, some hand weeding and biological pest control.*

Unlike the situation that exists in other countries, farmers markets in Holland exclusively sell organic products. Their popularity has increased (due in part to the activities of the Platform Organic Farmer's Market) such that they have almost doubled in number in the four years to 1999, at which point they numbered 27. In addition, some farms also have their own organic shops; in 1998 there were a total of 135.

Belgium

In 1999 sales of organic foods in Belgium reached BF6 million (148,736 euros), a massive BF3.5 billion or 78 percent higher than in 1997. Despite this rise, organic products still only account for approximately 1 percent of retail food sales in Belgium.

The established marketing channels for organic products in Belgium are natural/speciality food shops (of which there are about 400), weekly markets (most major cities have farmers markets, two in Brussels and Heist-opden-Berg, selling organic products exclusively) and direct-from-farm sales. The supermarkets are beginning to develop a presence in this comer of the market, but with organic accounting for just 0.55 percent of total supermarket sales it remains small. The three most prominent supermarket groups dealing in organic are Delhaize "Le Lion," the GIB group and SA Colruyt. Delhaize is, in fact, one of the supermarket leaders for organic with a vast array of "Bio" line products (200); meanwhile the French company La Vie supplies GIB group stores with over 200 organic products. Colruyt, the main discounter, sells a small assortment of dried goods and some fresh fruit and vegetables. Smaller chains such as Battard are increasingly introducing organic products.

Luxembourg

Within Luxembourg there is evidence of considerably more direct marketing by farmers than is the case in other European countries and it represents an important foundation for the sale of organic products. In the poultry sector, for example, there is a large farm in Luxembourg that exclusively markets its own products, while many organic vegetables are sold at farmers markets. That said, most producers do have to send some of their produce for sale through organic co-operatives and general supermarket channels. The largest supermarket chain in Luxembourg, Cactus, offers one of the most comprehensive assortments of organic products anywhere in Europe from its large hypermarket in Bertrange.

The largest natural food shop in Luxembourg does, in fact, have its origins in a farmers co-operative, BioG, which has collaborated with Naturata Uberlingena and used their name to market their products. The shop sells an extensive range of fresh and processed goods (e.g. muesli, pasta, fish, baking ingredients, condiments, confectionery), both domestically produced and imported. Since the early 1990s, four farm shops and two other Naturata franchises in small cities have opened.

Organic Food Manufacturing

The Netherlands

While The Netherlands is a major agricultural producer, less than 1 percent of its land is devoted to organic production. The largest sectors within Dutch organic production are meat (made increasingly important by the current BSE crisis in Europe and the resultant shortage of organic meat) and horticulture (especially, potatoes, vegetables and flowers). However, that the sector experiencing most growth is dairy. Improved conversion regulation to organic farming has also raised interest among fruit farmers, furthermore, causing the number of organic fruit farms in Holland to double in number in the space of a year. (Up to now, the Dutch organic control agency SKAL has already certified 1350 farms and around 750 processing companies.) Explosive growth in the short term however is unlikely, due the supermarket's refusal to pay higher prices for organic products, forcing more than 70 percent to be exported (despite the domestic shortage). Greenhouse production of organic meanwhile remains very limited (only 40 organic farms have greenhouses).

The main reason for this is the high quality and competitive price of conventional crops in The Netherlands at the moment. There are however some winners in the organic sector, the Dutch Organic Market Garden, Gebr Verbeek v.o.f won the country's Horticultural Entrepreneur Award 2001 for their large scale innovative organic production of cucumbers, peppers and tomatoes under glass.

It is no surprise to find that The Netherlands is a major importer of organic products (both fresh and processed). This can be explained not only by the low level of domestic production, but also by its key position as a trading center (an estimated 80 percent of imported organic produce is re-exported). In terms of re-export, particular emphasis is put on organic fresh fruit and vegetables, grains, cereals, dried fruits, nuts and seeds, coffee, tea spices and herbs, most of which comes from other EU countries as well as the Mediterranean and eastern Europe and north Africa. Those from further afield tend to comprise off-season and exotic products for which demand is rapidly increasing.

Growing demand for organic food products has resulted in a massive increase in the number of Dutch food processors entering this sector of the market. Since 1996, 300 'new' processors have acquired a place in the Dutch organic market, bringing their grand total to 733. Among those entering in 1999 were 15 butchers, 12 bread and pastry bakeries, 21 fruit and vegetable manufacturers and seven dairy processors. The organic processing industry now comprises both specialist organic manufacturers as well as mainstream players that have diversified. A list of the most important players in each category is included in this report. In addition, a number of major dairy companies are also expected to introduce organic production lines in the near future.

Most organic processors in The Netherlands source their ingredients from either domestic or other European sources, including importers, producers and processors. While most do not import their requirements directly at present, it is likely that they will do so in the future, particularly as more mainstream manufacturers become involved in the sector.

Belgium
The main outputs of Belgian organic farms are cereals, meat, beef and vegetables along with smaller quantities of chicken, pork and fruits. Here again production is nowhere near enough to furnish demand and Belgium imports of all these products. Belgium does itself, however, export large quantities of organically grown greenhouse products such as tomatoes, cucumbers and peppers, and processed products such as rice cakes, soy drinks and desserts, chocolate and cereal-based sweeteners to Europe.

The country is home to a number of organic processors, the majority of which are specialists in this area rather than mainstream manufacturers that have moved into organic[2]. Processors, together with importers and packers, import the largest part of their organic raw materials, although at the moment predominantly from other EU countries. The Belgian company Lima was, until the 1990s, the largest organic processor in Europe.

While it continues to process rice cakes and vegetarian dishes, its main activity now revolves around packing. (It also houses a bakery that supplies natural food shops throughout the Benelux countries). A list of the most important organic processors in Belgium can be found in this report. In addition to those listed, Belgium is home to a multitude of small dairy plants, bakeries, makers of tofu-seitan and vegetarian burger and breweries that also rely on imported raw materials.

Luxembourg

Domestic organic primary production in Luxembourg is centered around the dairy and livestock sectors. Five farms produce. organic vegetables equal to half the overall production volume but insufficient to cover demand. Some processing of milk, meat and cereals (bakeries, pasta production and breakfast cereals) is evident and there is a packing plant for fruit and vegetables. Activity in this sector however is inadequate to supply a country with the highest organic consumption per capita levels in Europe. As a result, import trade (mainly from Europe) is considerable in all products.

Food Service

In The Netherlands, organic have made inroads on two key catering areas; government institutions and gourmet restaurants. Organic tea and coffee products are regularly available to government employees and those working in banks, provincial offices and town halls. Catering companies have begun to offer organic menus in company restaurants and canteens. The association for chefs using organic ingredients now has 70 members split equally between high quality restaurants and institutions. One major catering company, Marfo, supplies 46 "natural gourmet" organic meals to the Swiss national airline, Swissair.

There is only limited movement in all three Benelux countries towards the use of organic produce in food service. In Belgium, a market boasting some 35,000 restaurants and pubs and with a reputation for gastronomy for example, certain restaurants offer meals prepared from organic foodstuffs, (a comprehensive list of those involved is available from a number of organic umbrella organizations such as Nature et Progrés), however to date the operators in question are not subject to any controls verifying that the ingredients they use in food preparation are organic. "Biogarantie" - a control body and the owner of the organic label "Biogarantie" - are in the process of developing a system that will cover and control restaurants that wish to participate. Nevertheless for the most part consumers are, and for the conceivable future will remain, forced to trust that the guarantees the restaurants give them with regard to the origin of ingredients are indeed valid.

[2] *Belgian organic processing firms are represented by Probila-Unitrab (Union Interprofessionelle des Transformateurs et Distributors de Produits de I'Agriculture Biologique). This association provides its members with a series of services; information and defence, promotional support and representation at ministry level and in BioForum, the umbrella organization for organic agriculture.*

The Organic Consumer

The profile of the typical organic consumer in each of the Benelux countries investigated is as follows:

- Socio-economic group AB (refer to Table of Contents)
- Age 25 - 50
- Well educated
- Higher than average income levels
- Single person households or those where both parents earn and want the best and healthiest food for their children (of particular interest is the high percentage of female AB socioeconomic groups who are the main purchasers of organic food).

The three countries covered in this report are among the smallest in the European Union. The Netherlands, with a total surface area of 4.15 million hectares and 15.8 million people, is the largest of the three, followed by Belgium, population 10.2 million. Luxembourg, covering a surface area of just over 2,5000 sq. km with a population of 424,000, is in fact the smallest EU country. Of Luxembourg's population more than a third are foreigners, and a quarter work in the capital where wages are higher. This last point fits in with the profile of the organic consumer, who in general terms is fairly affluent, earning well above the national average wage. Luxembourg does in fact have the highest per capita consumption of organic foods in the EU.

As in other European countries, the number of organic consumers in the Benelux countries has increased dramatically in recent years. In The Netherlands for example, 5 percent of the population are classified as heavy or selective purchasers of organic food products, and another 34 percent purchase occasionally. Meanwhile Belgium is one of the four EU countries (Belgium, Denmark, Sweden and the UK) with annual organic food sales increases of between 25 percent and 30 percent. Interest in organic has increased for a number of reasons, at the center of which are concerns for food safety, health and the environment. Each of these is explored in greater detail below:

- The intensive use of artificial fertilizers, pesticides and artificial growth promoters in modern agriculture has raised considerable concerns related to their potential impact in the environment. This was arguably the initial driver of the organic movement. In a country as densely populated as The Netherlands, there is a strong and recognized need for sustainable organic agriculture to safeguard the environment for future generations and provide health food products. To this end, Platform Biologica, the umbrella organization for organic, supported by the Ministry of Agriculture, advocates the realization of 10 percent organic agriculture by 2010.

- Growing awareness of environmental risks has prompted concerns over the effects of modern farming methods on personal health. Consumers see organic foods as providing a more natural and healthy alternative to conventionally grown crops, and in many cases they are perceived to be of higher nutritional value. In all three Benelux countries, interest in health is a given as a reason for the purchase of organic products, at least at an individual level, although it must be stressed that organic are not seen as the only way of achieving this objective.

- Increasing frequency and seriousness of food scares is raising public concern over food safety. The only winners of the recent dioxin scare in meat originating from Belgium, for example, were the organic food producers and retailers, who saw their sales increase (at least temporarily) by between 15 percent and 20 percent as a result. A spokesperson for one outlet of the Natuurwinkel store chain in Amsterdam, The Netherlands, noted organic sales growth in the order of 10-20 percent in the few weeks immediately after the scare, mainly in eggs and meat products. Other food scares that have compounded the problem (all occurring in 1999) include Dutch reports of a new cattle virus resembling Aids and the withdrawal of Coca-Cola products in Belgium where a number of children became ill after consuming the drink.

In addition to these main concerns are a number of other secondary but still important issues. Other factors to consider in the rise of organic are thus:

- Increased disposable income. This has been a key facilitator to the growth of organic, which on average are priced 30 percent higher than conventional equivalents. It has been a key factor influencing growth in prosperous countries such as Belgium and Luxembourg. In The Netherlands, however, where value for money is still a key purchasing criterion, the price premium has proved a major obstacle to growth.

  There is a direct link between the amount spent on food and the purchase of organic food products; the higher the spend the greater the likelihood of buying organic. The Dutch consumer, however, spends a smaller percentage of his income on groceries than his/her counterpart in other European countries, with many seeing the mark-up on organic as too high. The converse is true of Belgium and Luxembourg.

- Intense media attention has played a key role in raising consumer awareness and concern, and thus interest, in the organic sector.

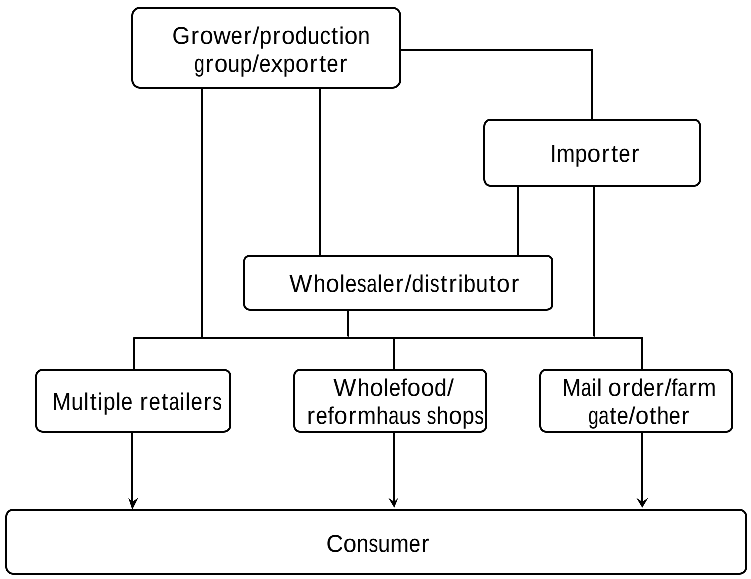
Demand by Product Type

The current demand for organic fresh produce far outstrips that for processed organic foods in the Benelux countries. The potato, for example, is the widest selling organic product in The Netherlands, and consumption of organic fresh produce as a whole increased 30 percent in 1997. A significant proportion of these products, however, is imported from other EU countries, rather than further afield. Dried fruits and nuts also feature strongly among imported organic products - The Netherlands has the highest per capita consumption of nuts in the European Union. Other product areas in demand and of interest to US exporters are oils and fats, pulses, rice, wine, breakfast cereals, and honey. As the demand for manufactured organic food products increases, so opportunities will arise.

Whatever the organic product in question, quality is always at the top of the consumer's purchasing criteria. Besides the small percentage of committed organic buyers who are most concerned with the growing method and origin of their food, the rest need to be convinced that the premium they pay will guarantee, in addition to the above, superior taste and freshness. They are not prepared to sacrifice any of the quality features they expect from class "A" conventional produce; uniformity of shape, color, unblemished appearance, cleanliness and availability of different varieties of the same product (something that is not always guaranteed in supermarkets). Those sectors of the Benelux organic market undergoing most rapid growth are precisely those that adhere to the above principles; in particular, dairy products and fresh vegetables. Fresh vegetables are proving instrumental in attracting new organic consumers. In The Netherlands, more than 60 percent of subscribers to the vegetable box system are people who do not visit organic food shops regularly.

Distribution Channels

The most usual form of distribution for imported organic foods in the Benelux countries is via a specialized importer and/or processor/packer, and from there to a wholesaler or direct to the retail outlet. Food manufacturers meanwhile receive their imported supplies direct from importers or via specialized processors (more frequently from the latter). The distribution channels for domestic products is the same, but obviously begins one stage removed with either the processor or the producer themselves. We illustrate the typical distribution channel for organic products in the graphic below.



Note: Reformhaus shops are health food shops

Because a large proportion of organic sales in all three Benelux countries is via small and often independent specialist shops, the wholesaler is a pivotal link in the distribution chain in each country. This is despite the fact that the number of specialist importers in each of the three countries is small. In Belgium, for example, where there are over 50,000 registered wholesalers, one fifth dealing specifically with the domestic market, only a very small percentage deal in organic produce[3].

While it is the job or responsibility of the importer to source products from around the world, manufacturers in all three markets, for a large part prefer to obtain their raw material supplies from Dutch, German or other European suppliers because of their competitive price and relative proximity. Some traders, however, import raw materials, carrying out basic processing before supplying organic producers with ingredients that meet strict quality specifications.

One thing that all players through the supply chain have in common, however, is the strict demands they place on those serving their needs or servicing their market. To satisfy these, non-European organic suppliers must, above all, ensure they are able to deliver their product to detailed specifications, deliver consistent and continuous quality and provide full

[3] *See the Table of Contents for a list of the most important players in each country together with the product areas in which they specialize.*

traceability and organic integrity. Another factor that is important to get right is logistics. Traders in The Netherlands have indicated or highlighted items such as appropriate packaging,
quality preservation, storage and transportation as particularly hard to get right, and all too frequently obstacles to the growth of the market. One criticism of US suppliers is their lack of commitment and understanding of the Benelux market (encompassing all the points highlighted above), something which is, of course, paramount to success.

Pricing

The price spectrum is immense within the organic market in all three markets, with price varying by product type, level of processing, purchased volumes, available supply (depending on the season, prices for organic fruit could be as much as 200 percent above their conventional equivalents, while milk and meat prices could be the same), competition, packaging and promotional activities. They are such that it is impossible to give specific information on prices and margins. What is clear, however, is that price is higher for organic foods than conventional equivalents - typically between 15 percent and 20 percent on fresh produce and 25 percent and 50 percent on processed goods, something that has, at least in The Netherlands, proved a real obstacle to growth. Indeed, retailers here would like to sell their organic products at less than 10 percent above their grade A equivalents. Furthermore, as competition to keep organic prices down intensifies, it is likely that margins on these lines may well fall to below those of conventional products.

The whole situation with regards to mark-ups on organic products in all three Benelux countries is equally opaque, given that many different points of sale for organic products has resulted in a fairly fragmented distribution system. As the role of supermarkets increases, however, along with the volumes of producer output (as is already happening with organic potatoes and dairy products in The Netherlands) it should be possible to reduce the premium paid by consumers. The place of the supermarket, certainly within the Dutch organic market, will consolidate as consumers value both competitive prices and convenience. This is particularly true for occasional purchasers who also regard the specialist shops as being more suited to the serious or more committed organic buyer.

As prices and margins do vary considerably by product type and have a tendency to fluctuate, exporters must ensure they have regular access to up-to-date and accurate price information. This can best be obtained from the importer they are dealing with in the various countries. Alternatively, major wholesalers of organic foods publish comprehensive price lists, included in which are recommended retail prices and trade discounts.

Comparison of Retail Prices for Organic and Equivalent Conventional Products in a Dutch Supermarket (January 1999, in Guilders)			
Product	**Quantity**	**Org**	**Non-org**
Fruit and Vegetables			
- Potatoes	1kg	1.16	1.16
- Carrots	1kg	3.35	1.99
- Onions	1kg	2.65	1.78
- Tomatoes	1kg	7.96	4.98
- Apples	1kg	5.49	4.50
- Cucumber	1	3.50	2.50
- Lettuce	1	3.35	3.49
Processed			
- Bread	1	2.95	2.99
- Spaghetti	500g	7.64	1.55
- Jam	450g	5.60	2.49
- Tomato sauce	450ml	3.49	3.19
- Olive oil	450ml	18.95	12.49
- Instant coffee	200g	15.92	10.99
- Orange juice	200g	4.98	1.89
Dairy			
- Milk	200g	2.09	1.15
- Yogurt	200g	1.85	-
- Cheese	1kg	17.90	11.90
- Fresh cream	0.2l	2.65	3.82
Meat, eggs			
- Chicken fillet	1kg	39.00	18.90
- Pork	1kg	20.50	13.50
- Steak	1kg	43.50	33.90

Source: Retail Intelligence, Consumer Europe 2000 Exchange rate US$ = Dfl 2.068

Packaging

The EU has legislated with regard to the labeling and advertising of an organic product, but these relate more to the properties that a product must have before it can make claims to be organic, rather than to packaging materials to be used. In order to be classified organic a product must adhere to certain production methods. In addition, processed food must contain a minimum 95 percent organic material. Imported products must also include a reference on their labeling to the name and/or code number of the national inspection body responsible for checking compliance with EU Regulation 2092/91.

While there are no specific directives with respect to packaging material included in the EU regulation, given the nature of the image they are trying to portray and the key role packaging plays in the commercialization of products, most organic products come in biodegradable packaging. Further to this, some national organic organizations stipulate or ban the use of certain packaging material. Biogarantie in Belgium, for example, forbids the use of PVC and aluminum, except in the case of aseptic brik. Indeed, even conventional products in Belgium are encouraged to use packaging with a percentage of recycled material. Many stores have eco-packaging requirements for private label products, and an eco-tax exists whereby a tax is paid for the non-recycled element of your packaging. Among environmentally conscious organic consumers, biodegradable packaging is just a further selling point.

As is the case for conventional food items, labeling on organic products entering the Benelux countries must be clear. It should display the name of the product and the sender, stipulating the net quantity of goods per package. Other requirements include a list of ingredients in descending order of weight, the date of minimum shelf life, special storage conditions, instructions of use where appropriate, and claims; for example, organic products that meet with regulations may advertise this on their packaging. All information must be given in the native language:

- Dutch in The Netherlands, French, Flemish and/or German in Luxembourg and Belgium.

Import Regulations/Organic Certification

Organic products have been given official recognition under EU Regulation 2092/91 and the subsequent amendments thereof The regulation provides consumer guarantees regarding production methods and principles applied to organic farming processing and marketing practices. The legislation applies to all products destined for human consumption (livestock was added in June 1999), but does not as yet cover textiles and forestry products.

The main features of the regulation refer to:

- Standards for the production and preparation of organic food and labeling rules (including the use of language)
- Certification, registration and inspection procedures
- The requirement that organic foods imported from countries outside the EU adhere to equally rigorous standards as domestic products

To ensure their organic products comply with the stipulations set out above, US producers must follow a number of key procedures:

- Inspection of the product - this may be done by an indigenous organization, one from the EU or, alternatively, from a third country.
- Registration of the importer - the EU based importer with whom they wish to trade must be inspected by an approved body. Inspection will consider operation, storage and distribution sites. If completed successfully, the importer will be registered via the certification body with the national control body.
- Application to the National Control Authority - made for every product, to include:
  - information on the certification body in the country of origin to determine their rules of production and ensure their methods of inspection are equal in standard to those specified in EC Regulation 2092/2;
  - a declaration from the certification body that its rules of inspection/certification will be permanently applied;
  - name and address of the person signing the EU certificate;
  - description of the products;
  - on the successful completion of this procedure the importer is then notified that he has been approved.

- Finally, an EU certificate must accompany each imported consignment.

There is no fee for authorization if carried out by EU government bodies; some independent bodies may charge. US exporters should therefore carefully consider the organization that they use. This also applies to the certifying body they use in the US, bearing in mind that those who have IFOAM status are most highly regarded.

National Implementation

The implementation of the EU Regulation 2092/91 is carried out nationally. In The Netherlands Skal is the government-appointed body responsible for its implementation (ensuring organic producers comply with its stipulations): its activities however are not limited to this country, it has offices in Germany, Turkey, Sri Lanka, Suriname, Peru and India and carries out inspections in over 30 countries. Skal uses the certification mark EKO (as yet no European label is in existence) to indicate that products satisfy EU regulations and, where applicable, Skal's own standards. Consumers purchasing goods carrying this mark can therefore be confident that the products satisfy EU standards. If your product is inspected and certified by Skal, or in accordance with a Skal approved inspection, and is given the EKO-symbol you are obliged to pay a charge based on the turnover of the product.

In addition, all foodstuffs destined for sale in The Netherlands are bound to comply with the Food and Drug Act (Warenwet). Exporters are advised to obtain information from Dutch importers who are ultimately responsible for ensuring their products comply with national regulation.

In Belgium, Ecocert is the registered inspection and certification body charged with ensuring organic products comply with EU Regulation 2092/91. It is one of the two inspection bodies recognized by the Ministry of Agriculture; the other is Blik. All products that comply with the conditions stipulated therein carry or are attributed the "biogarantie" label. More and more natural food shops in Belgium are signing contracts directly with "biogarantie."

In addition to EU regulations, there are a number of national /private organic commissions in Belgium which each issue their own certificate. The label Nature at Progrès, for example, is used by certain organic farmers and by many small organic shops. Meanwhile, Belgium's Royal Seal for organic meat and dairy products gives a reassurance that the Agriculture Minister believes can be found in few European countries.

Finally, the EU Council Regulation is also implemented in Luxembourg by the Department of Agriculture and the German inspection body Kontrollverein Okologischer Landbau. Before its introduction, the standards of certain individual organic organizations were the only valid certification. Since their standards are in many ways more rigorous than EU ones (for example, conversion of the whole farm and restrictions on brought in foods) organic symbols such as bio-LABAL and Demeter[4] continue to play an important role.

From the US perspective it is believed that the adoption of the new National Organic Program will facilitate the acceptance of their products in the Benelux and other European countries. This is because the ruling will provide guarantees that US organic products are grown and manufactured to strict, comprehensive standards. Furthermore, having one reputable and officious body (the USDA) in control of the implementation of these standards should provide the homogeneity and reassurance that was lacking before.

[4] *Demeter refers to or signifies a product that has been grown in accordance with biodynamic agricultural principles. These emphasize living soil and the fan-n as a holistic organism, and acknowledge their importance in maintaining a healthy ecosystem.*

Industry Contacts

The Netherlands

Importers/Trading partners

Company	Contact details	Activity
Tradin Organic Agriculture BV	Latexweg 12, 1047 BJ Amsterdam Tel: + 31 20 407 4499 Fax: + 31 20 497 2100 postmaster@tradinorganic.com	Major trader specialising in organic products mainly grains, seeds, nuts, dried fruit, oil seeds, animal feeds, oils, bean, coffee, cocoa, sweeteners, bakery fat, dairy products, bananas, frozen fruit and concentrates. Turnover f. 28 million.
Do-It BV	Prins Hendrikweg 19, 3771 AK Barneveld Tel: + 31 342 422 829 Fax: + 31 342 422 192 Organic @euronet.nl	Specialised distributor of processed organic foodstuffs throughout Europe including pasta, tomato products, nuts, Mexican goods. Subsidiary of Mulder Natuurvoeding BV.
Greenfood International BV	Bellstraat 7, 3861 NP Nijkerk Tel: + 31 33 247 1030 Fax: + 31 33 247 1035	Trading company specialising in the import/export of organic cereals and to a lesser extent seeds, nuts, pulses, dried fruit. Subsidiary of Mulder Natuurvoeding
Euroherb Bio BV	Dynamostraat 12, 3903 LK Veenendaal Tel: + 31 318 543 288 Fax: + 31 318 542 458	Major European importer of organic herbs and spices located in The Netherlands. Also deals in tea, coffee, sugar and cocoa products, a base of around 200 products. Works closely with producers in developing countries and expects demand to increase at 10-15 percent each year in the near future.
Eosta Int BV	Postbus 132, 3980 CC Bunnik Tel: + 31 30 656 6000 Fax: + 31 30 656 6040	Major importer of organic fresh fruit and vegetables. 70 percent re-exported, 30 percent to supermarkets and wholesalers in The Netherlands
Simon Levelt BV	A Hofmanweg 3, 2031 BH Haarlem Tel: + 31 23 512 2522 Fax: + 31 23 512 2525	Largest Dutch importers of organic tea and coffee supplying 95 percent of retail trade requirements (200 tons of coffee, 50 tons of tea). In-house roasting, blending and packing facilities and exports consumer-packed coffee to other European markets
Ariza BV	Overhorst 9, 5707 PP Helmond Tel: + 31 492 528 364 Fax: + 31 492 545 151	Processed fruits and vegetables

De Traay	Platinastraat 50, 8211 AR Lelystad Tel: + 31 321 282 928 Fax: + 31 320 282 028	Honey
Doens Food Ingredients BV	Oranjestraat 40A, Postbus 10, 4515 ZG Ijzendijke Tel: + 31 117 302 020 Fax: + 31 117 301 811 Wdtrade@zeelandnet.nl	Grains, pulses, oil-seeds, spices, horticultural seeds, animal feed
Green, Fresh and Anywhere	Postbus 327, 2990 AH Barenbrecht Tel: + 31 186 668 585 Fax: + 31 186 668 588	Fresh fruit and vegetables
Koffiebranderij G Peeze BV	Ringoven 36, 6826 TR Arnhem Tel: + 31 26 362 2422 Fax: + 31 26 361 3380	Tea and coffee
Neuteboom BV	Aadijk 41, 7602 PP Almelo Tel: + 31 546 864 062 Fax: + 31 546 864 062	Tea and coffee
Odin Holland CV	Postbus 225, 4190 CE Geldermalsen Tel: + 31 345 577 133 Fax: + 31 345 576 848	Fresh fruit and vegetables
Trouw BV	Piekstraat 63-65 3071 EL Rotterdam Tel: + 31 10 486 6332 Fax: + 31 10 4886 0928	Buckwheat

Wholesalers

Company	Contact Details	Activity
Odin	Postbus 225, 4190 CE Geldermalsen Tel: + 31 345 577133 Fax: + 31 345 576848	Together the top three companies are the most important wholesalers dealing in imported fruit and vegetables
Udea BV	Postbus 478, 5400 AL Uden Jvdboogaard@ekoland.com	Main wholesaler of organic dairy, frozen food and vegetarian products.
Natudis BV (Natuproducts)	Postbus 376, 3840 AJ Harderwijk Tel: + 31 341 464 211 Fax: + 31 341 425 704	Dominates the distribution of organic dry foods in The Netherlands, controlling approximately 80 percent of the market. Exclusive distributor of products carrying foreign brands, also sells own private label brands through subsidiary natuproducts. Turnover f. 129 million.
De Nieuwe Band	Noorderringweg 12, 9363 TC Marum Tel: + 31 594 644 3355 Fax: + 31 594 643 385 info@nieuweband.nl	Dry groceries
De Rit Natuurprodukten BV	Retsezijstraat 4, 4011 JP Zoelen Tel: + 31 344 681 653 Fax: + 31 344 681 404	Dry groceries
Terrasana Faan Zuidhorn	Postbus 70, 2450 AB Leimuiden Tel: + 31 172 503 338 Fax: + 31 172 503 355	Cheese

Specialist Organic Manufacturers

Company	Activity
Verbeeck	Organic bakery
Van der Westen	Specialist bakery
Keune	Producer of bakery products
Bonvita	Chocolate producer
Zuiver Zuivel	Dairy products
De Zwaluw	Dairy products
De Dageraad	Dairy products
FEZ	Dairy products
De Rit	Honey products
De Traay	Honey products
De Halm	Muesli
Natu products (Natudis)	Muesli
Mulder	Muesli
BD Graan	Muesli
Horizon	Nut pastes
De Vuurdroop	Processed foods
Joannusmolen	Processed foods

Mainstream Manufacturers Participating in Organics

Company	Activity
Koninklijke Numico NV (recently acquired GMC Nutrition)	Nutricia baby foods
Remia	Oils and fats
Marvelo	Coffee and tea
Renco BV	Sugar and sweeteners
Cosun Group	Includes Suiker Unie (national sugar company)
HAK	Fruit and vegetable preserves

NB: Please contact Platform Biologica for more contact details – see “Useful Addresses”.

Belgium

Importers/Trading Companies

Company	Address	Activity
Biomarch cvba	R de la Basse Sombre 24 5140 Sobreffe Tel: +31 71 82 31 00 Fax: +31 71 82 31 09	Together with biofresh these two companies are the dominant fruit and vegetable packers and importers
Biofresh	R de l'Expansion 4/4 Waver 4432 Alleur Tel: +32 42 47 49 49 Fax: +32 42 47 49 19	Fruit and vegetable packer and importer
Ostara bvba	Kerkplein 5, B-9667 Horebeke Tel: + 32 55 45 67 34 Fax: + 32 55 45 67 41	Broker-importer of raw materials and processed products

Manufacturers

Company	Activity
Alpro NV	Soy drinks and desserts
Bioline Europe NV	Ready meals
Biomilk	Main milk collector – 8 million kg
Cidre Stassen SA	Juices
Pajottenlander	Juices
Delifrance Belgium SA	Industrially baked organic bread
La Lorraine	Industrially baked organic bread
Dohler/Citrusco	Organic food ingredients (predominantly fruits)
Callebaut NV	Chocolate
Kraft Jacobs Suchard NV	Chocolate
Lima	Bio-food (organic rice cakes and cereal drinks)
Meurens Natural SA	Cereal based natural sweeteners
MIK/Indumel NV	Yoghurt and other diary products
Natural Bio Mills	Milling
Ortis sprl	Medicinal/nutritional products
Biolife	Medicinal/nutritional products
Soubry NV	Pasta
Vondelmolen NV	Spice bread
Candico	Sugar

Wholesalers

Company	Address	Activity
Hagnor nv	Ambachtenstraat 4, B-3210 Lubbeek Tel: + 32 16 620 711 Fax: + 32 16 621 421	Wholesaler of biological and health products.
Lima/Reformwaren nv	Industielaan 11, B-9990 Maldegem Tel: + 32 50 71 05 64 (Lima) Tel: + 32 50 71 38 11 (Ref)	Lima is a wholesaler of bio-food (organic rice cakes, cereal drinks and tofu). Reformwaren is their distributor for Belgium.

NB: please contact Probila-Unitrab in Belgium for more contact details – see "Useful Addresses".

Luxembourg

Wholesalers

Company	Address	Activity
Bio-Gros	30 r d'Orchimont L- 2268 Luxembourg Tel: +352 49 48 01 Fax: +352 49 07 25	Wholesaler established by national organic farmers

Useful Addresses

The Netherlands

Ministry of Agriculture
PO Box 965
6040 AZ Roermond
Tel: + 31 475 355 555
Fax: + 31 475 318 939

Dutch Food Inspection Service
Ministry of Welfare, Health and Cultural Affairs
Postbus 5840
2280 HV Rijswijk
Tel: + 31 70 340 5060
Fax: + 31 70 340 5435

SKAL (Government certification body)
Postbus 384
8000 AJ Zwolle
Tel: + 31 38 426 8181
Fax: + 31 38 421 3063
Email: SKAL@euronet.nl
http://www.skal.com

Stichting Biologica – Platform Biologica (umbrella association for organic farmers, traders and retailers)
Postbus 12048
3501 AA Utrecht
Tel: + 31 30 230 0713
Fax: + 31 30 230 4423
Email: biologica@xs4all.nl
http://www.platformbiologica.nl

Belgium

Probila-Unitrab (An organisation representing all Belgian companies involved in the manufacture and distribution of agricultural products)
Secretary Probila-Unitrab
Leuvensebaan 368
B-30 Sint-Agatha-Rode
Tel: + 32 16 47 01 98
Fax: + 32 16 47 01 99
Email: Hugo.baert@skynet.be

BioForum vzw (Umbrella organisation for farmers, processors and traders)
Rue Saint Médard 4,
B-1370 Jodoigne
Tel: + 32 10 81 40 50
Fax: + 32 10 81 43 46
Biogarantie asbl (owners of the organic label Biogarantie)
(secretariat is located at Bilk and Ecocert)

Bilk vzw (control body)
Uitreidingsstraat 392D
B-2600 Berchem
Tel: + 32 3 28 12 152
Fax: + 32 3 281 17 469
Email: agriberchem@club.innet.be

Ecocert Belgium sprl (control body)
Chemin de la Haute Baudexat 1
B-1457 Walhain
Tel: + 32 81 6000 377
Fax: + 32 81 600 313
Email: info@acocert.be
http://www.ecocert.be

European Office of Preparators and Distributors of Organic Products
(European Federation of organic processors and traders)
Bd Louis Schmidt
119-bte 3B
B-1040 Brussels
Tel: + 32 2 27 43 82 02
Fax: + 32 8 52 70 104

WOSC (World Organic Supermarketing Club)
– group of supermarket involved in organics
Parvis Saint Roch 3
B-1324 Chaumont-Gistoux
Tel: + 32 10 68 13 87
Fax: + 32 10 68 11 12
Email: wosc@eronet.be

Luxembourg

Verain fir Biologesch-Dynamesch Landwirtschaft (Control/certification)
Letzeburg
13 rue de la Gare
L-5353 Oetrange
Tel: + 352 35 02 45
Fax: + 352 35 59 61

Verenegung fir Biologesche Landbau Letzeburg asbl (control/certification)
Kraizhaff, rue de Luxembourg
L-1899 Kockelscheuer
Tel: + 352 29 04 04
Fax: + 325 29 05 04
Email: secretary@luxnatur.lu
http://www.luxnatur.lu

Trade Fairs

BioFach Annual 14 - 17 February, 2002
(The world's largest organic food show)
Nurnberg
Germany
Tel: + 49 9171 96 100
Fax: + 49 9171 4016
http://www.biofach.de
Email: info@biofach.de

Natural Products Annual 11 - 13 June 2002
Expo Europe
Amsterdam
Netherlands
Tel: + 44 1273 38 42 82 (UK)
Fax: + 44 1273 38 42 85 (UK)
http://www.expoeurope.com
Email: expoeurope@newhope.com

Namur (created by Nature et Progres: Belgium's largest organic food show)
Namur
Belgium
Tel: + 32 81 303 690
Fax: + 32 81 310 306
http://www.euronature.com
Email: Natpro@skynet.be

Anuga Biennial, 13 -17 October 2001
(large European mainstream food show alternating with SIAL in Paris)
Cologne
Germany
Tel: + 49 221 821 0/2574
http://www.koelnmesse.de
Email: info@koelnmesse.de

SIAL Biennial, 20 - 24 October 2002
(A large European Mainstream food show, alternating with Anuga in Germany.
A growing organic presence)
Paris
France
Tel: + 33 1 49 68 54 99/+ 33 1 47 31 37 82
http://www.sial.fr

Email: sial@easynet.fr

Food Ingredients Europe Exhibition November 5 - 7 2001, London
(mainstream event with a strong organic presence rotating between Paris, Frankfurt, and London 2001)
The Netherlands
Info: Miller Freeman bv
Tel: + 31 346 55 94 44
Fax: + 31 346 57 38 11
http://www.fi-events.com/europe

United Kingdom
Info: Fi Europe
Tel: + 44-870-429 4560
Fax: + 44-870-429 4561
Email: fi@ubminternational.com

Socio Economic Groupings

Socio-economic groupings are derived according to the professional status and level of education of each member of the adult population. They are as defined as follows:

Social Grade	Social Status	Occupation
A	Upper middle class	Higher managerial, administrative or professional, well educated
B	Middle class	Intermediate managerial, administrative or professional, well educated
C1	Lower middle class	Supervisory or clerical, professional, junior managerial or administrative, educated
C2	Skilled working class	Skilled manual workers, less well educated
D	Working class	Semi and unskilled manual workers, less well educated
E	Lowest level of subsistence	State pensioners or widows (no other earner), casual or lowest grade workers, poorly educated

The following table segments the population in each of the three Benelux countries by social group:

Social Grade	The Netherlands		Belgium		Luxembourg	
	x 1,000	percent	x 1,000	percent	x 1,000	percent
A	1,746	13.6	732	8.7	38	11.1
B	1,515	11.8	538	6.4	42	12.1
C1	2,927	22.8	1,665	19.8	62	18.0
C2	3133	24.4	2,556	30.4	80	23.2
D	1,605	12.5	950	11.3	59	17.3
E	1,259	9.8	1,522	18.1	48	14.2

Source: Eurostat